



# FY23 Q2/H1 RESULTS

10 May 2023

## FORWARD-LOOKING STATEMENTS

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.



## AGENDA

- 1** **FY23 Q2/H1 Highlights & Trading Update**
- 2** **FY23 Capital Increase & Q2/H1 Results**
- 3** **Summary – Update Strategic Initiatives**
- 4** **Appendix**



# Opening remarks – encouraging booking momentum underlines our expectations for a strong Summer



**Improved Winter season** delivered in line with expectations, not yet fully back to pre-pandemic levels



**Easter confirmed strong customer demand** across all our markets and for our hotels, cruise and experiences business



**Summer L6W bookings exceeding 2019 levels** – supports target to achieve close to pre-pandemic levels for Summer 23



TUI is on track to deliver a significant increase in FY23 Und. EBIT vs. PY

**Strategic initiatives well under way, TUI on course for profitable growth**



## Q2 delivers strong improvement vs. prior year - successful completion of €1.8bn capital increase

- **2.4m customers enjoyed holidays in the quarter, +0.6m, (88% of FY19 LFL levels),** achieving airline load factors of 93%
- **Q2 Revenue €3.2bn,** improving significantly by €1.0bn
- **Q2 Und. EBIT -€242m,** improving strongly by €88m and **almost back to 2019 levels.** Adjusting for prior year exceptionals, Q2 up €181m<sup>1</sup> with both segments contributing positively
- **Net debt of €4.2bn, improving to €3.1bn incl. proceeds from capital increase**
- **Strong booking momentum continues for Summer 23**
  - **Bookings +13% vs. PY and at 96% of S19 levels** (+7%pts vs. S19 since Q1) with higher ASP reconfirming the positive trend
  - **UK bookings up 10% vs. S19**
  - Bookings **firmly surpassing S19 levels in the last six weeks, up 6% at higher prices**

<sup>1</sup> Exceptionals includes reversal of PY +€50m Covid cost compensation from the German state and +€43m hedging ineffectiveness



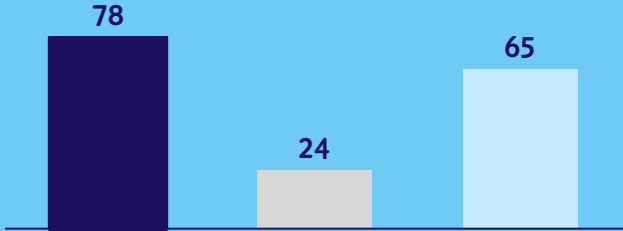


# HEX Und. EBIT up €148m vs. PY - Strong performance in Hotels, Cruises again positive

## HOLIDAY EXPERIENCES Und. EBIT €80m (+€148m vs. PY)

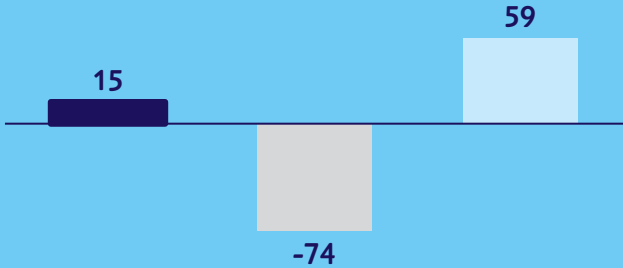
FY23 Q2    FY22 Q2    FY19 Q2

**HOTELS & RESORTS**



|                                | Q2   | YoY     |
|--------------------------------|------|---------|
| Avail. Bednights:              | 7.0m | +1%     |
| Occupancy:                     | 83%  | +18%pts |
| Ave. daily Rate <sup>1</sup> : | €100 | +16%    |

**CRUISES**



|                 | Q2         | YoY  |
|-----------------|------------|------|
| Avail. Pax Days | 2.4m       | +47% |
| Occupancies:    | 67% to 95% |      |

**TUI MUSEMENT**



|                     | Q2   | YoY  |
|---------------------|------|------|
| # Experiences sold: | 1.3m | +96% |
| # Transfers:        | 3.4m | +37% |

<sup>1</sup> Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

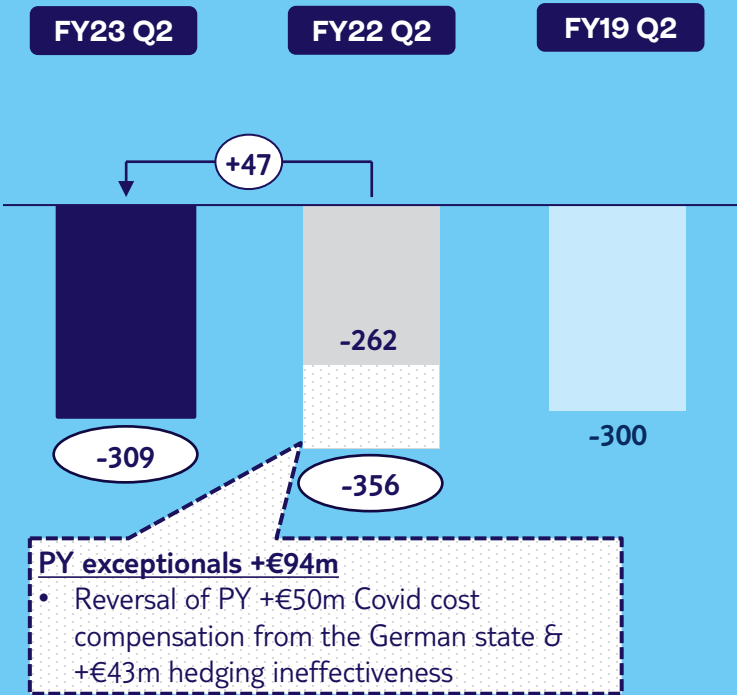




# M&A +€47m vs. PY adjusting for state aid and hedging ineffectiveness

**MARKETS & AIRLINES**  
 Und. EBIT -€309m (-€46m vs. PY) +€47m  
Adj. vs. PY

**TOTAL M&A**



|               | Q2   | YoY    |
|---------------|------|--------|
| Departed pax: | 2.4m | +30%   |
| Load Factor:  | 93%  | +9%pts |

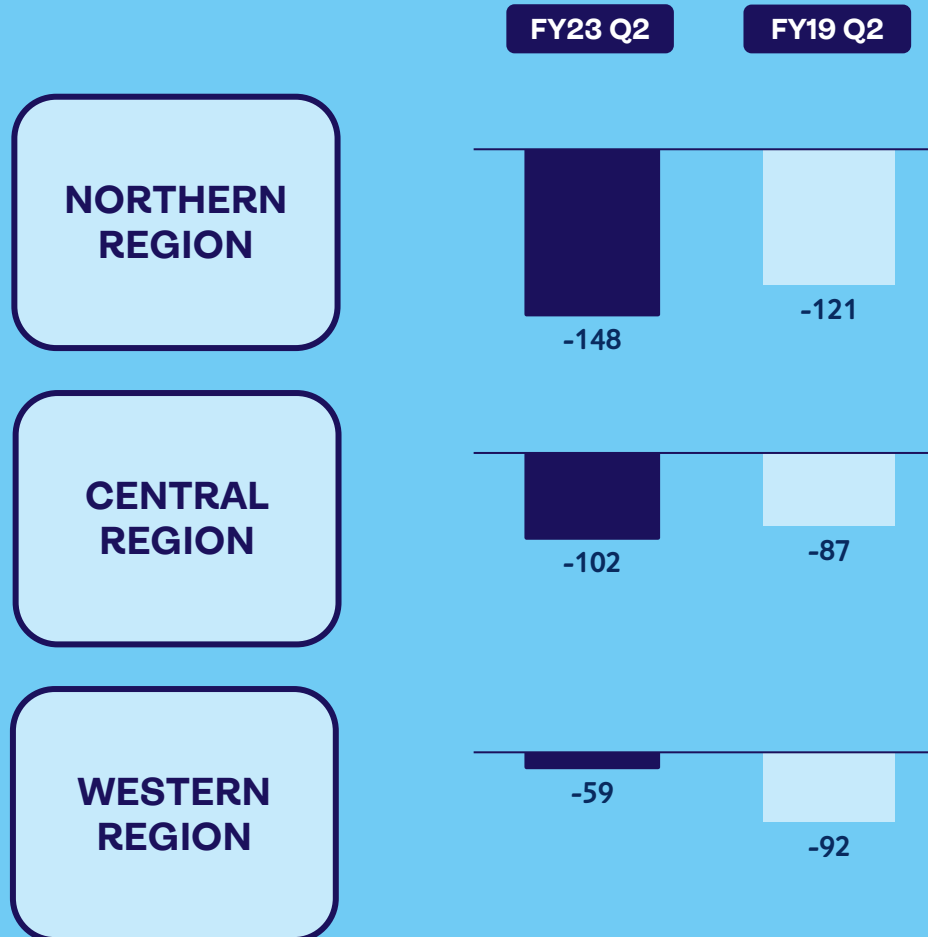




# M&A almost back to 2019 levels

## MARKETS & AIRLINES

Und. EBIT -€309m (-€9m vs. FY19 Q2)



- Revenue with €2.7bn, 8% above 2019 levels based on strong ASP
- Und. EBIT almost back to 2019 levels, despite volumes still recovering and impact from Fuel/FX volatility
- Fuel/FX hedging for Summer 23 again in line with pre-pandemic levels





# Markets & Airlines – Winter 22/23 closed out in line with expectations and pricing well ahead

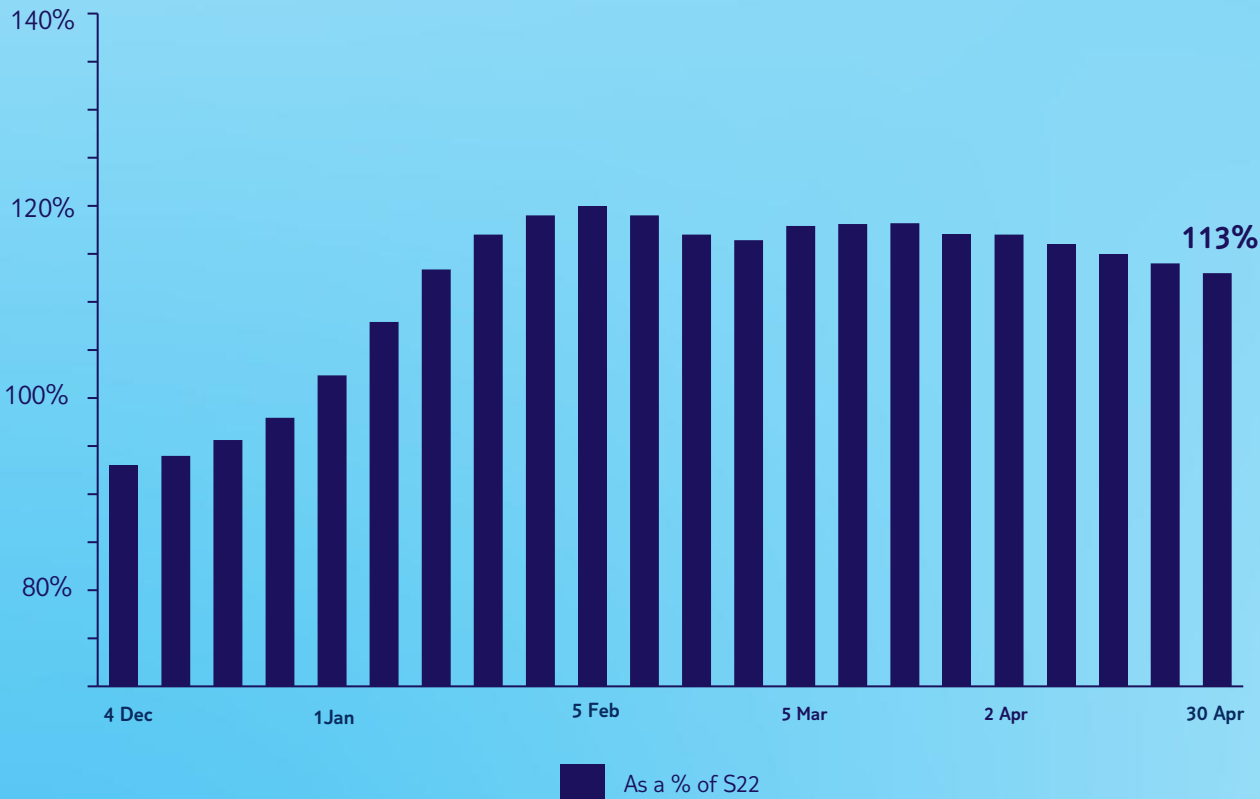
- **4.7m bookings for Winter 22/23** with 0.6m added since FY23 Q1 Update
- **Bookings up strongly +33%** (-12% vs. W18/19) **with ASP well ahead at +10%** (+29% vs. W18/19) **vs. Winter 21/22**
- **TUI well positioned in short & medium haul** with long haul still to recover
- In general, the European market is not back to 19 levels but we continue to outperform. **UK bookings back to Winter 18/19 levels**
- **Egypt & Cape Verde have grown in popularity** for Winter with bookings up +22% and +3% vs. W18/19 respectively



# Markets & Airlines – S23 Bookings +13% vs. PY with continued strong booking momentum, capacity expected to be close to normalised levels

## S23 Cumulative Net bookings as % of S22

8.3m bookings, +3.6m since FY23 Q1



|                             | Vs S22  |     | Vs S19 |
|-----------------------------|---|-----|--------|
|                             | S23   | L6W | S23    |
| <b>BOOKINGS<sup>1</sup></b> | +13%  | -1% | -4%    |
| <b>ASP</b>                  | +5% <span style="border: 1px solid black; padding: 2px;">8% LFL*</span> | +8% | +26%   |

\* Excludes UK S22 re-bookings rolled over from previous seasons, some of which included a rebooking incentive

### Further insight:

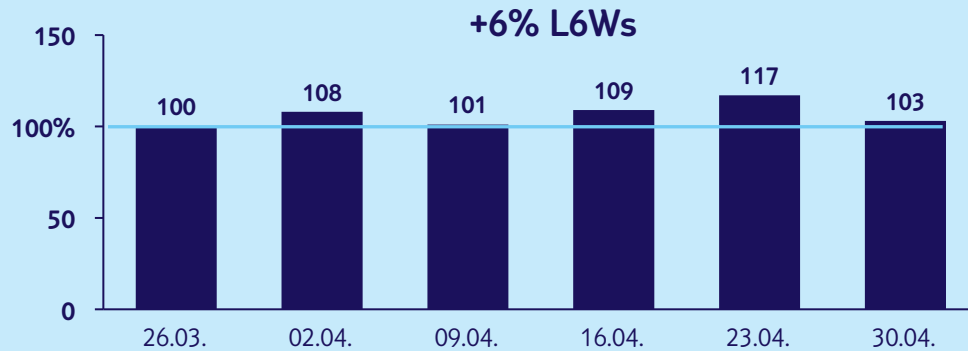
- **Bookings up 7%pts** vs. S19 since FY23 Q1 (-11%)
- **Summer programme 55% sold** which is above S22 and broadly in line with S19 levels
- **UK bookings in line with PY (+10% vs. S19)** with c.64% already sold



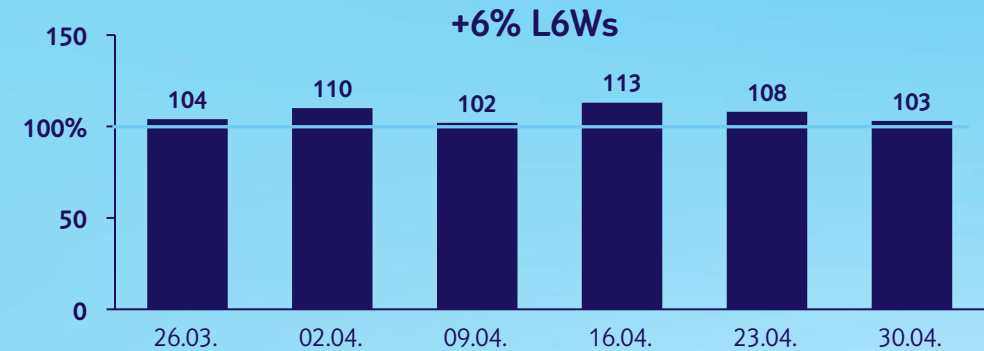
# Markets & Airlines – Booking momentum remains strong in the L6Ws at +6% vs. S19 at higher prices

## S23 Net weekly bookings as % of S19 by market

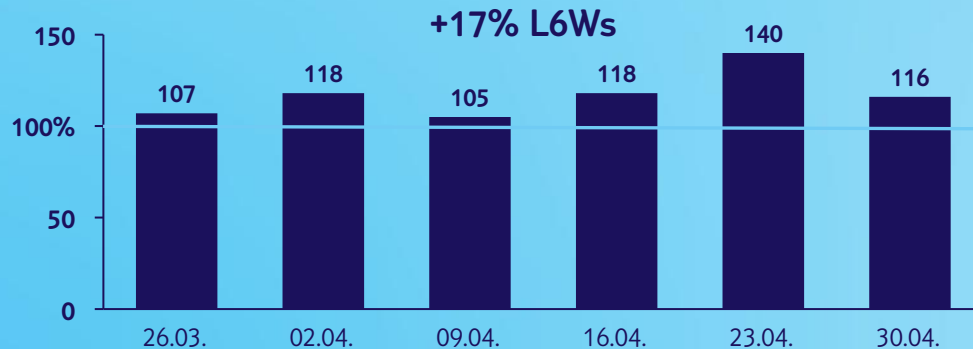
### Summer 23



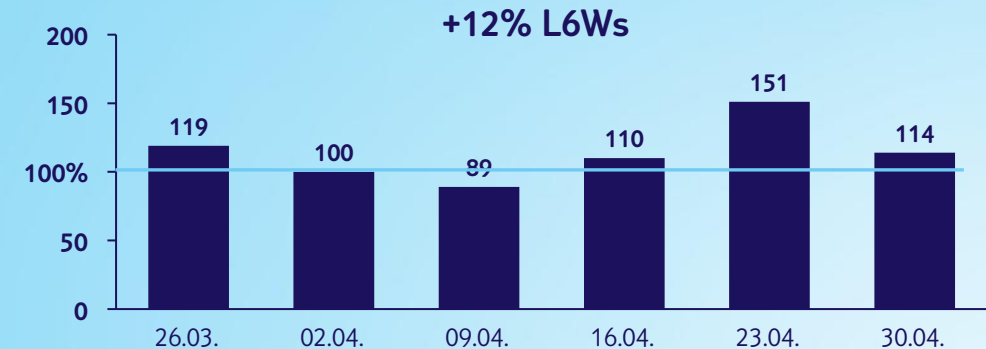
UK



Germany



Netherlands



# FY23 Trading: Positive momentum continues

## HOLIDAY EXPERIENCES

Versus 2022

23 H2<sup>1</sup>

Trading Environment

### HOTELS & RESORTS



Avail. Bed Nights<sup>2</sup>

+5%

Occupancy %<sup>2</sup>

+3%pts

- Booked Occ. % in H2 slightly ahead of PY at 57% (PY 54%)
- Ave. Daily Rate in H2 ahead of PY by 8%, mainly driven by RIU
- Turkey, Caribbean, Balearics, Greece, Canaries & Cape Verde are key destinations in H2

### CRUISES



Avail. Passenger  
Cruise Days

-1%

Occupancy %

+22%pts

- Avail. passenger cruise days slightly behind of PY for H2 due to refurbishment of MS Herz as part of delivery to Marella
- Booked Occ. % for many cruises developing close to peaks last seen in 2019
- 2023 booked ticket rates for many cruises above pre-pandemic levels

### TUI MUSEMENT



Experiences Sold

+Mid-  
double  
digit%

- Experiences growth driven by restriction free travel environment, enlarged product offering & our diversified distribution (TUI, B2C and B2B). Transfers develop in line with capacity assumptions of Markets & Airlines in 2023
- Higher contribution of H2 Experiences growth comes from digital selling
- TUI Musement investing into growth while returning to 2019 profitability



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# Achievements post Q1



1

## Successful €1.8bn Capital Increase

- Full repayment of WSF State Aid
- Reduction of KfW RCF to €1.1bn – undrawn buffer
- Significant balance sheet progress
  - PF FY22 Net Debt of €2.4bn
  - FY23 Net Leverage assumption <FY19 level
- **Credit rating upgrade** by S&P to B with positive outlook



2

## FY23 Q2 Strong Operational Improvement on PY

- Revenue €3.2bn +€1.0bn
- Und. EBIT -€242m +€88m (+€181m Adj.<sup>1</sup>)
- Net Debt €4.2bn (pro forma €3.1bn)



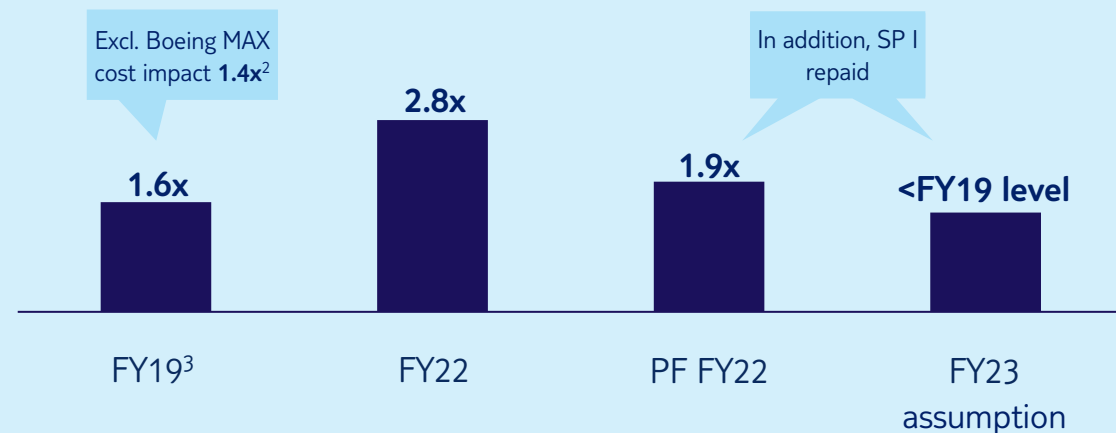
# Capital increase impact on balance sheet

## Overall structure & implications

in €bn

| Sources & Uses                                 |      | Net Debt            |      |
|--|------|---------------------|------|
| Proceeds                                       | +1.8 | Net Debt FY22 Q4    | 3.4  |
| Warrant Bond repayment                         | -0.1 |                     | -0.1 |
| RCF reduction (drawing per 31/12) <sup>1</sup> | -1.0 |                     | -1.0 |
| WSF SP I repayment                             | -0.7 | PF Net Debt FY22 Q4 | 2.4  |

## Capital increase assumed to deliver a pro-forma Net Leverage Ratio below FY19 level



Calculation:

FY22: Net debt: €3.4bn / Und. EBITDA: €1.2bn

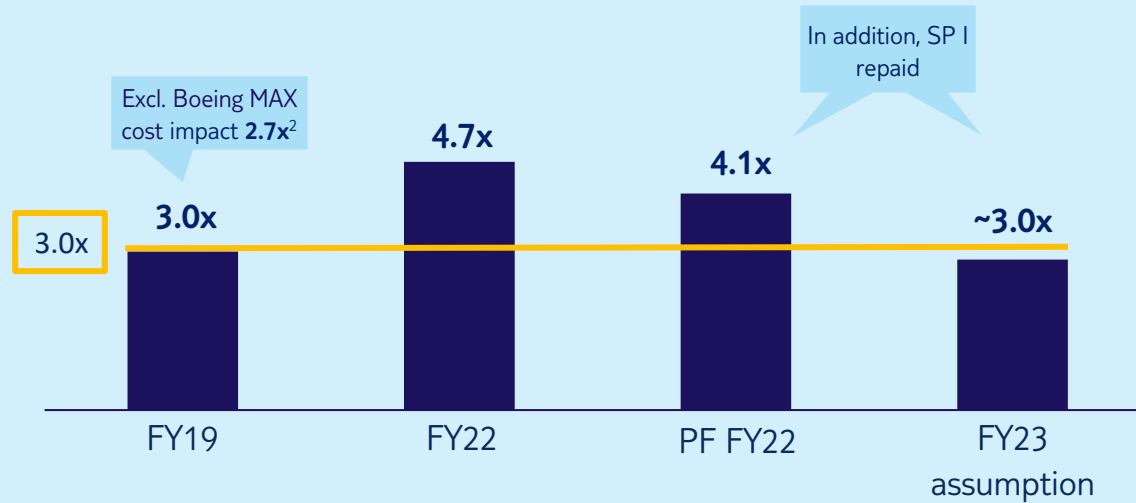
PF FY22: Net debt FY22 pro-forma / Und. EBITDA: €1.2bn

FY23 assumption: Net debt FY22 pro-forma / Und. EBITDA



# Capital increase to support sustainable leverage ratio

## Capital increase to accelerate Gross Leverage Ratio<sup>1</sup> down to ~3.0x



Calculation:

FY22: Gross debt: €5.7bn / Reported EBITDA: €1.2bn

PF FY22: Gross debt FY22 pro-forma / Reported EBITDA: €1.2bn

FY23 assumption: Gross debt FY22 pro-forma / Reported EBITDA

## Mid-term ambitions

- **Leverage ratio of well below 3x** in line with 2025/26 mid-term ambitions
- **Return to credit rating** in line with pre-pandemic rating of **BB/Ba territory**





# Income Statement

## Und. EBIT Q2 delivers a strong improvement compared to PY

| In €m                                 | FY23 Q2      | FY22 Q2      | FY23 H1      | FY22 H1      |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Revenue                               | 3,153        | 2,128        | 6,903        | 4,498        |
| <b>Underlying EBITDA</b>              | <b>-43</b>   | <b>-123</b>  | <b>15</b>    | <b>-188</b>  |
| Depreciation & Amortisation           | -199         | -207         | -411         | -415         |
| <b>Underlying EBIT</b>                | <b>-242</b>  | <b>-330</b>  | <b>-395</b>  | <b>-603</b>  |
| Adjustments (SDI's and PPA)           | -5           | -13          | -11          | -11          |
| <b>EBIT</b>                           | <b>-248</b>  | <b>-343</b>  | <b>-406</b>  | <b>-614</b>  |
| Net interest expense                  | -129         | -123         | -243         | -257         |
| <b>EBT</b>                            | <b>-376</b>  | <b>-467</b>  | <b>-649</b>  | <b>-871</b>  |
| Income taxes                          | 50           | 145          | 91           | 163          |
| <b>Group result cont. operations</b>  | <b>-326</b>  | <b>-321</b>  | <b>-558</b>  | <b>-708</b>  |
| Minority interest                     | -38          | -14          | -62          | -12          |
| <b>Group result after minorities</b>  | <b>-364</b>  | <b>-336</b>  | <b>-620</b>  | <b>-720</b>  |
| <b>Basic EPS<sup>3</sup> (€)</b>      | <b>-1.26</b> | <b>-1.23</b> | <b>-2.15</b> | <b>-2.74</b> |
| <b>Underlying EPS<sup>3</sup> (€)</b> | <b>-1.42</b> | <b>-1.72</b> | <b>-2.43</b> | <b>-3.32</b> |

### REVENUE

- Q2 revenue at €3.2bn, up 48% on Q2 FY22, following return to more normalised environment with 2.4m Markets & Airlines passengers departing, up 30% on Q2 FY22

### UNDERLYING EBIT(DA)

- Q2 EBIT at -€242m, an improvement of +€88m (up €181m<sup>1</sup> adjusting for PY exceptionals) driven by all segments

### ADJUSTMENTS

- Adjustments mainly relate to PPA costs in Q2 FY23, with PY including restructuring costs related to the Global Realignment Programme
- FY23 assumption<sup>2</sup>:** updated range of -€40m to -€60m (Prior -€60m to -€80m)

### NET INTEREST

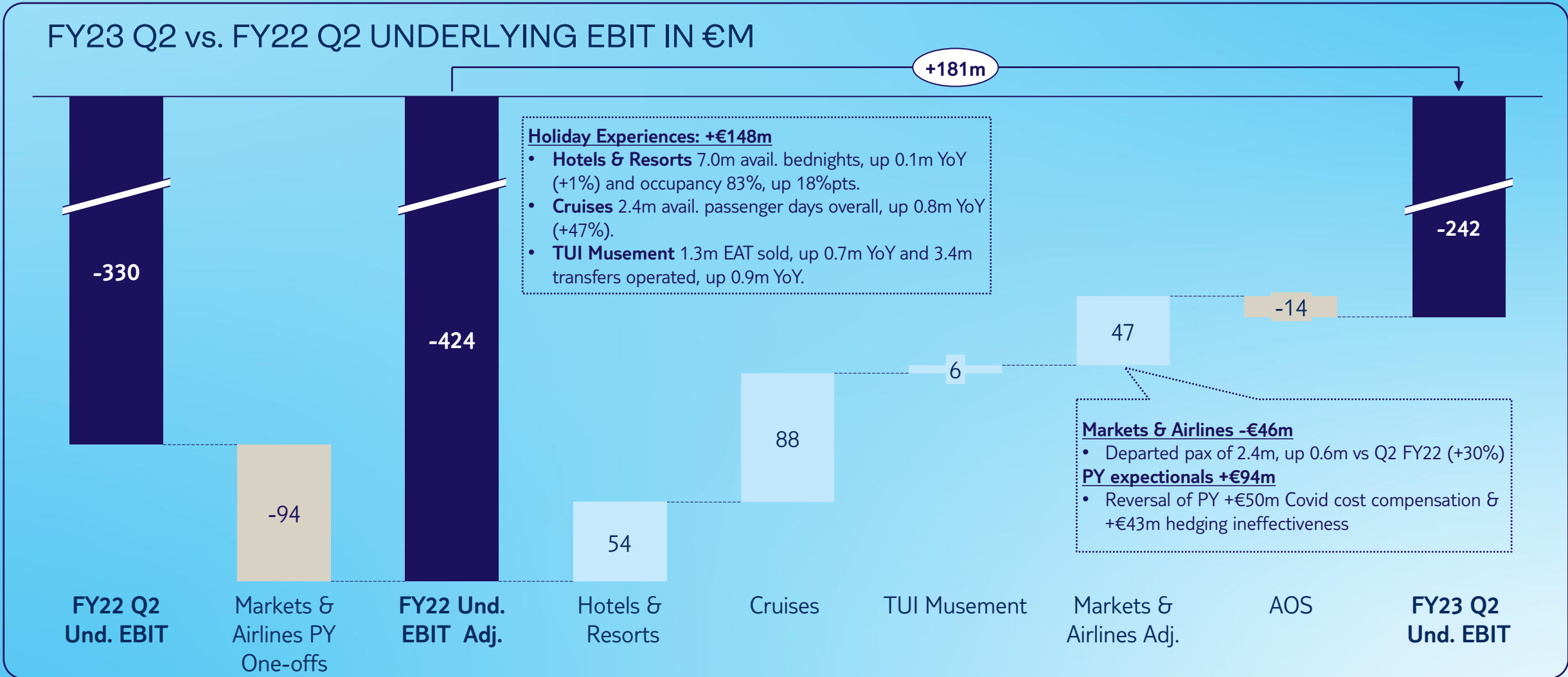
- YoY increase mainly driven by higher interest rates
- FY23 assumption<sup>2</sup>:** -€410m to -€430m. Expect towards lower end of range due to positive impact from capital raise, but subject to one-offs

### INCOME TAXES

- Tax benefit of €50m within expectation, supporting our assumption of an underlying effective tax rate of ~18% for the full year



# Q2 result – Strong improvement vs. prior year, excl. exceptionals up €181m with all segments contributing



# FY23 Q2 Free Cash flow mainly driven by Working Capital inflow

| In €m  | FY23 Q2      | FY22 Q2      | FY23 H1     | FY22 H1    |
|--|--------------|--------------|-------------|------------|
| <b>Underlying EBITDA</b>                             | -43          | -123         | 15          | -188       |
| Adjustments  | 0            | -7           | 0           | 3          |
| <b>Reported EBITDA</b>                               | -43          | -130         | 15          | -185       |
| Working capital                                      | 1,483        | 1,561        | -249        | 624        |
| Other cash effects                                   | 76           | -19          | 125         | 41         |
| At equity income                                     | -78          | 33           | -74         | 36         |
| Dividends received (JV's, associates)                | 1            | 0            | 3           | 0          |
| Tax paid   | -22          | -4           | -50         | -10        |
| Interest (cash)                                      | -98          | -78          | -214        | -171       |
| Pension contribution & payments                      | -39          | -39          | -68         | -68        |
| <b>Operating Cash flow</b>                           | <b>1,281</b> | <b>1,325</b> | <b>-512</b> | <b>266</b> |
| Net Investments                                      | -69          | -83          | -218        | -137       |
| <b>Free Cash flow</b>                                | <b>1,212</b> | <b>1,242</b> | <b>-730</b> | <b>129</b> |
| WSF SP I coupon payment                              | 0            | 0            | -17         | 0          |
| <b>Free Cash flow after Dividends</b>                | <b>1,212</b> | <b>1,242</b> | <b>-747</b> | <b>129</b> |
| Cash flow from financing                             | -1,176       | -1,361       | 599         | -189       |
| <i>o/w inflow from fin. Instruments<sup>1</sup></i>  | 75           | 16           | 1,054       | 1,125      |
| <i>o/w outflow from fin. Instruments<sup>2</sup></i> | -1,252       | -1,377       | -455        | -1,314     |
| <b>Total Cash Flow</b>                               | <b>36</b>    | <b>-120</b>  | <b>-148</b> | <b>-60</b> |

## WORKING CAPITAL

- Strong inflow from customer prepayments for summer bookings & continued discipline

## AT EQUITY INCOME

- YoY deviation due to elimination of JV profits in current FY vs losses in PY

## CASH INTEREST

- YoY increase mainly driven by higher interest rates

## NET INVESTMENTS

- FY23 assumption<sup>3</sup>: range of -€450m to -€500m unchanged

## FREE & TOTAL CASH FLOW

- Positive Free Cash Flow of €1.2bn mainly driven by strong seasonal working capital inflow and used for reduction of KfW RCF drawings as well as lease payments



# Pro-forma net debt of €3.1bn post rights-issue – €1.1bn improvement

## FY23 H1 vs FY22 H1

| In €m                            | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | YoY Δ       |
|----------------------------------|--------------------|--------------------|-------------|
| <b>Financial liabilities</b>     | <b>-5,829</b>      | <b>-5,572</b>      | <b>-256</b> |
| - Lease liabilities under IFRS16 | -2,835             | -3,146             | 312         |
| - Bond with warrant              | -61                | -149               | 88          |
| - Convertible Bond               | -537               | -527               | -10         |
| - Liabilities to banks           | -2,345             | -1,685             | -659        |
| - Other liabilities              | -51                | -65                | 14          |
| <b>Cash &amp; Bank Deposits</b>  | <b>1,632</b>       | <b>1,636</b>       | <b>-4</b>   |
| <b>Net debt</b>                  | <b>-4,196</b>      | <b>-3,936</b>      | <b>-260</b> |
| - Net Pension Obligation         | -507               | -551               | 44          |

## Pro-forma impact of Rights-Issue on Balance Sheet

|   | In €bn      |
|---|-------------|
| <b>Net debt FY23 H1</b>                                     | <b>-4.2</b> |
| Repayment of Credit Line Drawings                           | +1.0        |
| Bond with Warrant Repayment <sup>1</sup>                    | +0.1        |
| <b>Pro-forma Net Debt FY23 H1</b>                           | <b>-3.1</b> |
| Additional Repayment of Silent Participation I <sup>1</sup> | +0.4        |

<sup>1</sup> Nominal values of WSF instruments; total repayment of €750m to WSF including agios + accrued interest and compensation for early repayment of Silent Participation II in June 2022 | General comments: Per FY23 Q1, the SPI was classified as equity; Gross debt is defined as financial liabilities plus net pension obligation



# FY23 Modelling Assumptions per 10 May 2023 (post capital increase)

|  | FY23e <sup>1</sup>  | FY22     |
|--|---|----------|
| <b>Revenue<sup>2</sup></b>                 | Expect further strong increase in Revenue   | €16,545m |
| <b>Underlying EBIT<sup>2</sup></b>         | Expect Und. EBIT to increase significantly  | €409m    |
| <b>Adjustments (incl. PPA)<sup>3</sup></b> | <b>-€40m to -€60m</b> (Prior: -€60m to -€80m)   | -€89m    |
| <b>Net interest<sup>4</sup></b>            | <b>-€410m to -€430m</b> Expect towards lower end of range due to pos. impact from cap. raise, but subject to one-offs | -€466m   |
| <b>Net investments<sup>5</sup></b>         | <b>-€450m to -€500m</b>   | -€316m   |
| <b>Leases &amp; Asset financing</b>        | <b>Broadly stable</b>   | €3,610m  |
| <b>Net debt</b>                            | <b>Around €2.4bn</b> (Prior: broadly stable)  | €3,436m  |



# CFO priorities – ongoing capital structure development

## Support Profitable Growth



- Support further transformation
- Implement ESG initiatives
- Strong team with talent retention

## Cash Flow Focused



- Strict cost discipline
- Focus on WC, capex & cash from operations
- Asset right growth

## Strengthen Balance Sheet



- Optimise maturity profile & interest expenses
- Return to a gross leverage well below 3x
- Target credit rating in line with pre-pandemic rating of BB / Ba territory
- Execution of €1.8bn rights issue the key milestone

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Appendix



# Our New Vision for TUI – “Excellence in Leisure Experiences”



**EXCELLENCE IN  
LEISURE EXPERIENCES**



# The New TUI Vision

**TUI Vision**  
In a paragraph

**TUI enriches lives through travel & leisure experiences. Powered by our unrivalled combination of product, technology & people, we create distinctive leisure experiences that open up the world responsibly and advance our position as pioneers in the market.**

**Business Capabilities**  
that set us apart

## PRODUCT

- **High quality, new products**, broad range and scale
- **Unique travel & leisure offering** across the value chain
- **Sustainably** & responsibly opening up the world

## TECHNOLOGY

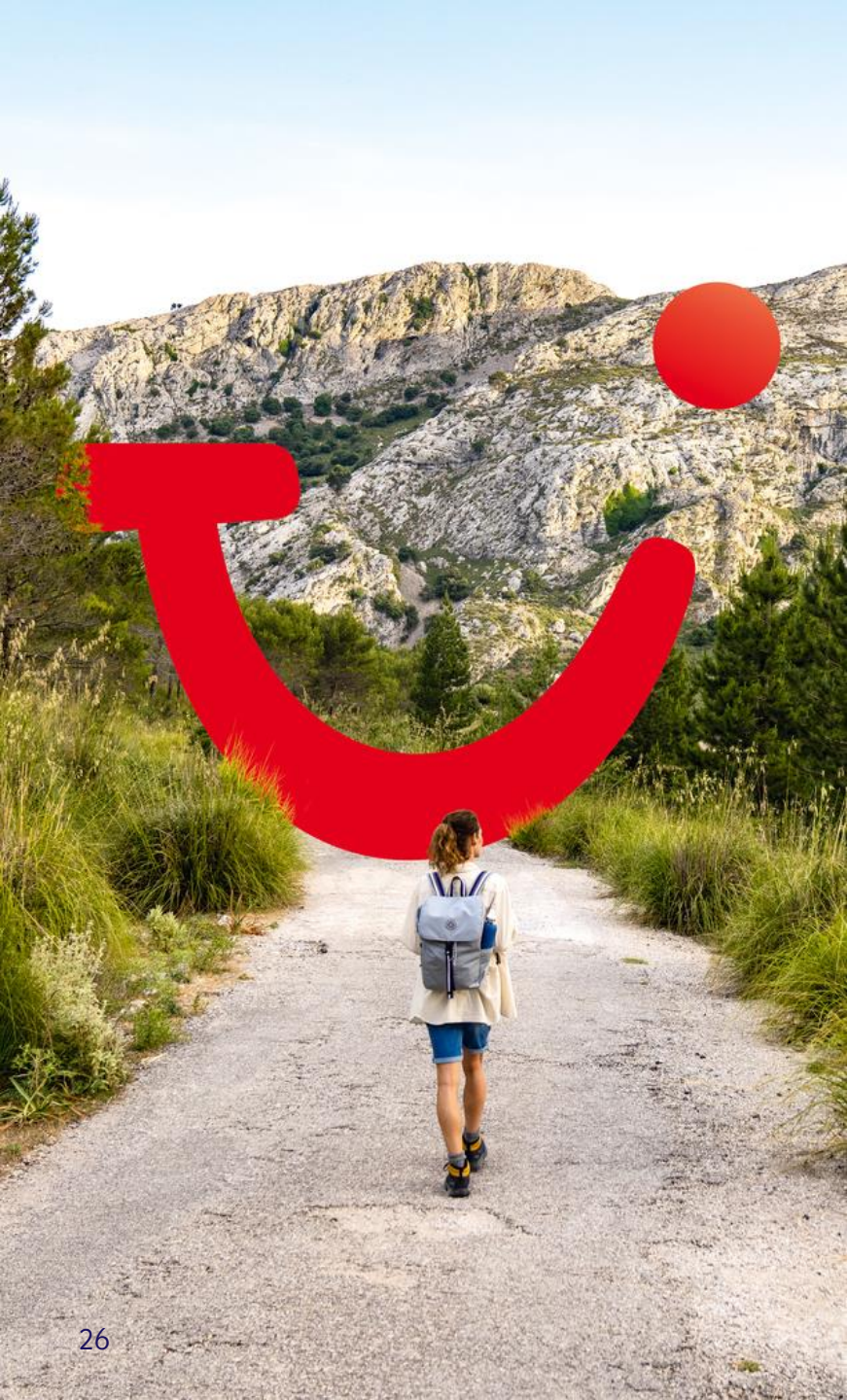
- **Leveraging scalable platforms** to deliver choice, personalisation & seamless service **into different markets**

## PEOPLE

- **Entrepreneurial & performance** driven culture
- **Winning team** with the knowledge to craft a superior customer experience

**TUI Vision**  
In a sentence

**Excellence in Leisure Experiences**



## Q2 Update on our strategic initiatives

### TUI targeting growth in Dynamic packaging, Acco/Flight-only, Cars, Tours & Experiences

-  Expansion of TUI Flight Market Place
-  Ancillaries growth
-  Continued B2C sales growth in TUI Musement
-  Platform rollout supports TUI BLUE asset light growth
-  Sustainability Update
-  UK FY24 Capacity growth – 1.1m extra flight seats, enhancing dynamic offer

**Targeting roll-out across all major markets**





# New & existing customers: Expansion of Flight Only

## Creating TUI Flight Market Place (TFM)

The screenshot shows the TUI website interface. At the top, there is a navigation bar with links for Newsletter, TUI Info Corona, Hilfe & Kontakt, Reisebüro, myTUI, Merkzettel, and Blog. Below this is a secondary navigation bar with links for Urlaub buchen, Last Minute, TUI Hotelmarken, Inspiration, TUI DEALS, and Flüge buchen, along with a search bar labeled 'Website durchsuchen'. The main content area features a large banner with the text 'Alle Airlines, alle Ziele: Flugtickets nach Überall!' and 'Die besten City- und Strandziele weltweit auf TUI.com'. A red button labeled 'Flüge finden' is positioned below the text. To the right of the text is an illustration of an airplane flying over a globe with two people standing on top of the globe. Below the banner is a search filter section with radio buttons for 'Hin- und Rückflug' (selected) and 'Nur Hinflug'. Below the filter are input fields for 'Ihre Startflughäfen', 'Wohin?', 'Hinflug', 'Rückflug', 'Reisende' (set to '1 Erw.'), and a 'Flüge finden' button. At the bottom of the screenshot, there is a promotional banner that reads 'FLIEGE MIT UNS ZUM BESTEN PREIS DIREKT ANS MEER!' and 'Jetzt TUI Flug Specials entdecken'.

"All airlines, all destinations. Flight tickets to everywhere"

## TFM taking Flight Only offering to the next level

- Development of Flight Only both in B2B and B2C business
- Full integration of Flight Only product offering in TUI App
- Already rolled out in Central and key Western Region markets with UK to follow in coming months
- Connecting to 3<sup>rd</sup> party airline flight content through NDC<sup>1</sup> and supporting dynamic packaging. The content offering includes Lufthansa Group, KLM/Air France with Emirates, Singapore Airlines and other airlines to follow soon



# Ancillaries: Growth delivery & further potential

**ADDED-VALUE PRODUCTS WHICH HELP CUSTOMERS TO PERSONALISE THEIR HOLIDAY WITH EASE**

BEFORE YOU GO



AIRPORT EXTRAS



FLIGHT EXTRAS



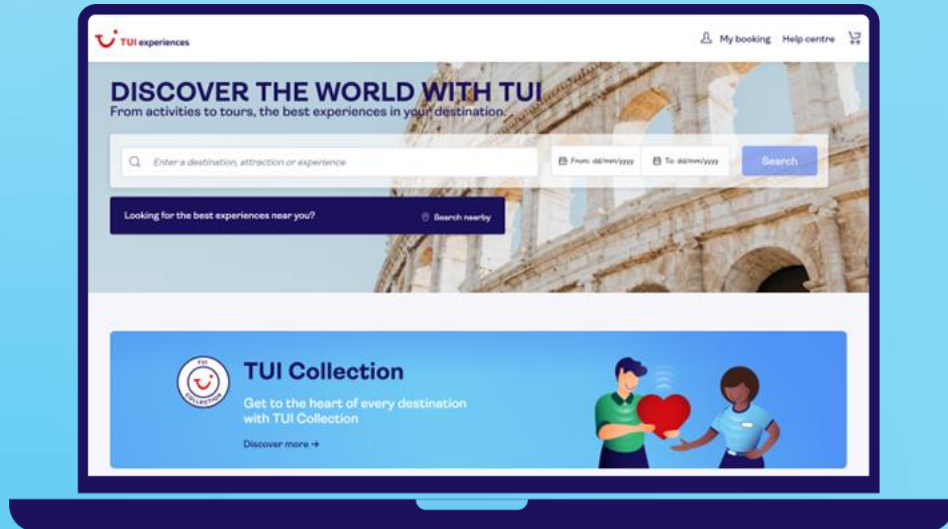
DURING YOUR HOLIDAY



- One of the **largest portfolios** of extras covering the entire customer journey
- Integration in **all channels** (App, TUI.com, Retail, MyTUI)
- Dynamic pricing & bundling
- **Extras rev/pax increased double digit %** vs pre-Corona - higher than any airline, OTA or tour operator
- Own products means we **retain more value** (Flight extras, Flex, Experiences)
- Significant **scale synergies** in sourcing 3P products (Airport Extras, Travel Insurance)
- **New product innovations:** e.g. travel eVisa, golf tee time, Select your Room, luggage service, VPN



# New Customers: TUI Musement continued B2C Sales growth

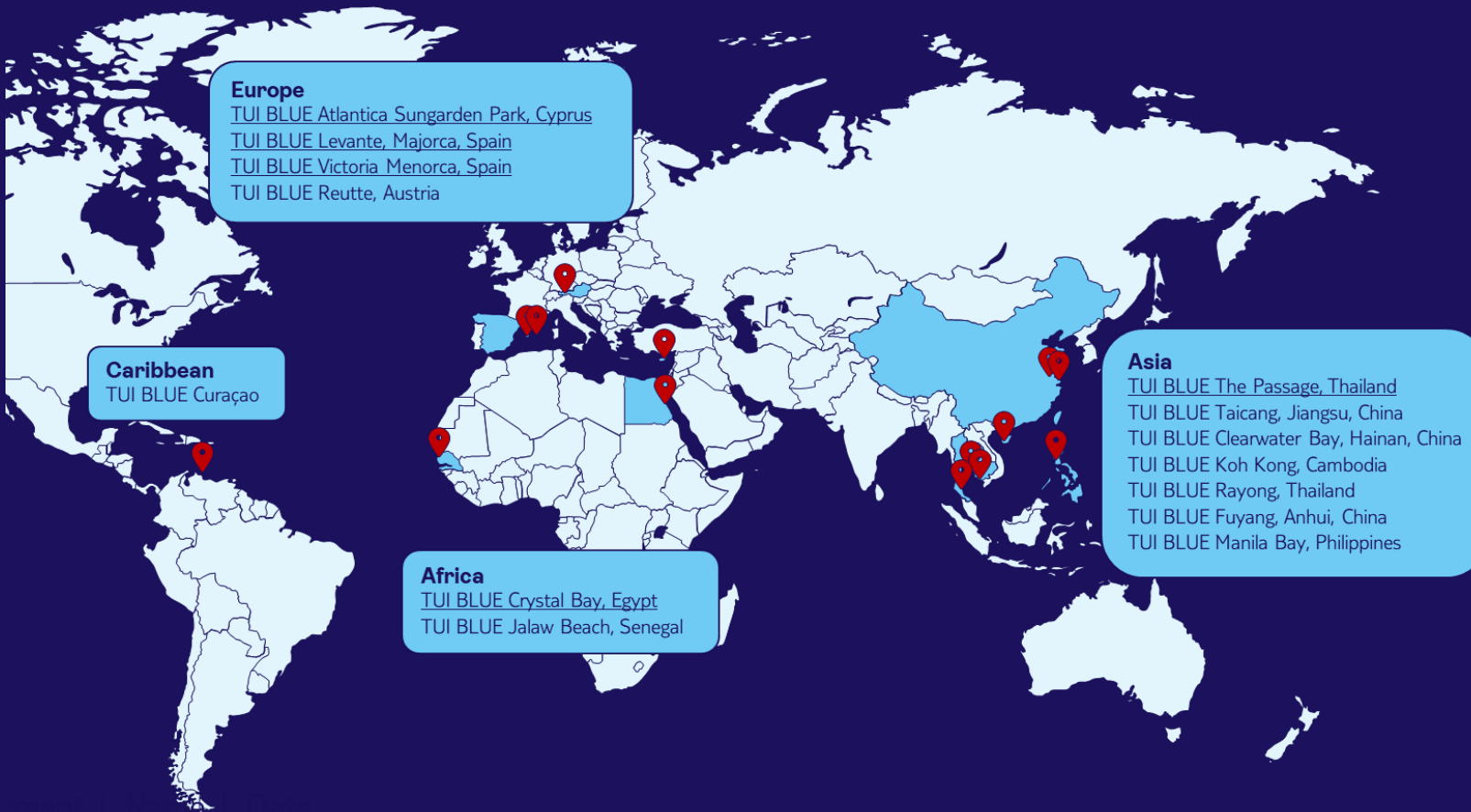


- **Launch of tuixperiences.com** to drive growth of experience sales direct to consumer
- Supports Group strategy by bringing **new customers into the TUI ecosystem**
- **+185%** YoY growth for B2C experiences sold in Q2
- Increased focus on **city experiences**, with a growing inventory of product in key cities around the world
- Strategic targeting of **100 key cities** around the world
- Ongoing development of own product - 100 TUI Collection experiences in cities by FY25
- Recent **promotional partnership with La Sagrada Familia** to organise a unique concert and promote city experiences





# Digital platform rollout supports TUI BLUE asset light growth – 14 new hotels across 4 continents starting Summer 2023



## TUI BLUE HOTEL PIPELINE

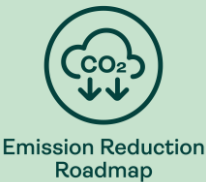


- TUI Blue is our modern hotel brand with great appeal to experience-oriented lifestyle travellers
- **Five new openings in Summer 2023** on the Balearic Islands, Cyprus, Egypt and Thailand
- **Nine openings within the next 2-3 years**
- Mix of management & franchise agreements
- Further asset-right expansion of the hotel portfolio already on the horizon





## Q2 Sustainability Update



Emission Reduction Roadmap

### 2030 targets approved by SBTi

- Target 24% reduction in airline CO<sub>2</sub>e per rpk\*
- Target 27.5% reduction in absolute CO<sub>2</sub>e from cruise
- Target 46.2% reduction in absolute CO<sub>2</sub>e from TUI Hotels & Resorts



- **New agreement in place with Shell on sustainable aviation fuel** to promote production & supply of SAF



- **TUI Cruises new sustainability strategy** – ambition to offer their first climate-neutral cruises in 2030



- **Green Building Guidelines launched for hotels** to drive emission reductions for construction and refurbishment projects
- **Hotels & Resorts implementing first CO<sub>2</sub>-emission free hotels** – TUI Blue Montafon by end of 2023, further hotels in Spain and Austria in 2024
- **Eco-mobility project to create low emission transport options** in destinations e.g. e-bikes in Rhodes for destination reps





## UK FY24 Capacity Expansion – 1.1m extra flight seats, enhancing dynamic offer

- **Over a million extra flight seats and 1,500 hotels** added for our biggest summer ever with unrivalled operation from **over 20 regional airports**
- **Providing more flexibility & choice for our customers**
  - Increased frequency of regional flights
  - Providing new & exclusive routes and destinations
- **Strong focus on quality**, increasing touchpoints with our customers
  - More staff pledged for airports and resorts
  - Enhancing Omni-channel distribution by increasing focus on App users
- **New products for our customers** to be more dynamic, more agile & more competitive





# Clear mid-term strategy to capture future market growth potential

## - Grow market share, New products & New customers



### Accelerate profitable growth

With new customer segments & more product sales

### Improve profitability and margin

### Focus on Cash Flow

### Strengthen Balance Sheet

## OUR FY23 ASSUMPTIONS

- Revenue<sup>1</sup> expected to further increase strongly
- Und. EBIT<sup>1</sup> expected to increase significantly
- With proceeds of capital increase pro-forma gross leverage ratio assumed ~3.0x<sup>3</sup>

## OUR 2025/26 MID-TERM AMBITIONS

- Und. EBIT to significantly build on €1.2bn<sup>2</sup>
- Return to a gross leverage ratio of well below 3.0x<sup>3</sup>
- Return to credit rating in line with pre-pandemic rating of BB / Ba territory

## CREATING SHAREHOLDER VALUE

# APPENDIX

# FY23 Q2 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)<sup>1</sup>

| In €m                                | FY23 Q2<br>IFRS 16 | FY22 Q2<br>IFRS 16 | Change<br>incl FX | FX           | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|--------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>218.3</b>       | <b>181.0</b>       | <b>37.4</b>       | <b>12.6</b>  | <b>24.8</b>     |
| - Riu                                | 185.0              | 152.0              | 33.0              | 13.0         | 20.0            |
| - Robinson                           | 18.8               | 18.1               | 0.7               | 0.0          | 0.7             |
| - Blue Diamond <sup>2</sup>          | -                  | -                  | -                 | -            | -               |
| - Other                              | 14.6               | 10.9               | 3.7               | -0.4         | 3.7             |
| <b>Cruises</b>                       | <b>141.9</b>       | <b>41.3</b>        | <b>100.5</b>      | <b>-7.9</b>  | <b>108.5</b>    |
| - TUI Cruises <sup>2</sup>           | -                  | -                  | -                 | -            | -               |
| - Marella Cruises                    | 141.9              | 41.3               | 100.5             | -7.9         | 108.5           |
| <b>TUI Musement</b>                  | <b>130.3</b>       | <b>68.1</b>        | <b>62.2</b>       | <b>1.8</b>   | <b>60.4</b>     |
| <b><i>Holiday Experiences</i></b>    | <b>490.5</b>       | <b>290.4</b>       | <b>200.1</b>      | <b>6.5</b>   | <b>193.6</b>    |
| - Northern Region                    | 1,191.5            | 847.9              | 343.6             | -63.6        | 407.2           |
| - Central Region                     | 990.8              | 622.0              | 368.8             | -0.1         | 369.0           |
| - Western Region                     | 477.7              | 366.2              | 111.5             | -0.0         | 111.5           |
| <b><i>Markets &amp; Airlines</i></b> | <b>2,660.1</b>     | <b>1,836.1</b>     | <b>824.0</b>      | <b>-63.8</b> | <b>887.8</b>    |
| All other segments                   | 2.3                | 1.9                | 0,4               | -0.0         | 0,4             |
| <b>TUI Group</b>                     | <b>3,152.9</b>     | <b>2,128.4</b>     | <b>1,024.5</b>    | <b>-57.3</b> | <b>1,081.8</b>  |



# FY23 Q2 Underlying EBITDA by Segment<sup>1</sup>

| In €m                                | FY23 Q2<br>IFRS 16 | FY22 Q2<br>IFRS 16 | Change<br>incl FX | FX          | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|-------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>123.6</b>       | <b>68.0</b>        | <b>55.6</b>       | <b>-0.8</b> | <b>56.4</b>     |
| - Riu                                | 112.9              | 66.4               | 46.5              | 5.9         | 40.6            |
| - Robinson                           | -1.8               | -1.4               | -0.3              | 0.2         | -0.6            |
| - Blue Diamond <sup>2</sup>          | 27.1               | 20.8               | 6.3               | 1.1         | 5.2             |
| - Other                              | -14.7              | -17.9              | 3.2               | -8.0        | 11.2            |
| <b>Cruises</b>                       | <b>33.0</b>        | <b>-55.5</b>       | <b>88.5</b>       | <b>-0.8</b> | <b>89.3</b>     |
| - TUI Cruises <sup>2</sup>           | 18.4               | -35.6              | 54.0              | -           | 54.0            |
| - Marella Cruises                    | 14.6               | -19.9              | 34.5              | -0.8        | 35.3            |
| <b>TUI Musement</b>                  | <b>-6.5</b>        | <b>-12.3</b>       | <b>5.8</b>        | <b>-1.8</b> | <b>7.6</b>      |
| <b><i>Holiday Experiences</i></b>    | <b>150.1</b>       | <b>0.2</b>         | <b>149.9</b>      | <b>-3.4</b> | <b>153.3</b>    |
| - Northern Region                    | -73.6              | -105.5             | 31.8              | 14.6        | 17.2            |
| - Central Region                     | -77.9              | 4.3                | -82.2             | 0.8         | -82.9           |
| - Western Region                     | -24.7              | -23.4              | -1.3              | 1.7         | -3.0            |
| <b><i>Markets &amp; Airlines</i></b> | <b>-175.8</b>      | <b>-124.6</b>      | <b>-51.2</b>      | <b>17.1</b> | <b>-68.3</b>    |
| All other segments                   | -17.2              | 1.3                | -18.5             | 0.2         | -18.7           |
| <b>TUI Group</b>                     | <b>-42.9</b>       | <b>-123.1</b>      | <b>80.1</b>       | <b>13.8</b> | <b>66.3</b>     |



# FY23 Q2 Underlying EBIT by Segment<sup>1</sup>

| In €m                                | FY23 Q2<br>IFRS 16 | FY22 Q2<br>IFRS 16 | Change<br>incl FX | FX          | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|-------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>78.0</b>        | <b>23.7</b>        | <b>54.4</b>       | <b>-1.3</b> | <b>55.6</b>     |
| - Riu                                | 86.9               | 44.0               | 42.9              | 4.9         | 38.0            |
| - Robinson                           | -10.8              | -10.3              | -0.5              | 0.2         | -0.7            |
| - Blue Diamond <sup>2</sup>          | 27.1               | 20.8               | 6.3               | 1.1         | 5.2             |
| - Other                              | -25.2              | -30.9              | 5.7               | -7.5        | 13.2            |
| <b>Cruises</b>                       | <b>14.8</b>        | <b>-73.5</b>       | <b>88.3</b>       | <b>0.2</b>  | <b>88.1</b>     |
| - TUI Cruises <sup>2</sup>           | 18.4               | -35.6              | 54.0              | -           | 54.0            |
| - Marella Cruises                    | -3.6               | -37.9              | 34.3              | 0.2         | 34.1            |
| <b>TUI Musement</b>                  | <b>-12.7</b>       | <b>-18.2</b>       | <b>5.5</b>        | <b>-1.8</b> | <b>5.5</b>      |
| <b><i>Holiday Experiences</i></b>    | <b>80.1</b>        | <b>-68.1</b>       | <b>148.2</b>      | <b>-2.9</b> | <b>151.1</b>    |
| - Northern Region                    | -147.5             | -180.9             | 33.4              | 14.0        | 19.4            |
| - Central Region                     | -102.1             | -24.2              | -77.9             | 0.3         | -78.2           |
| - Western Region                     | -59.2              | -57.0              | -2.2              | 0.8         | -3.0            |
| <b><i>Markets &amp; Airlines</i></b> | <b>-308.5</b>      | <b>-262.2</b>      | <b>-46.4</b>      | <b>15.1</b> | <b>-61.5</b>    |
| All other segments                   | -13.9              | 0.4                | -14.3             | -0.0        | -14.3           |
| <b>TUI Group</b>                     | <b>-242.4</b>      | <b>-329.9</b>      | <b>87.5</b>       | <b>12.2</b> | <b>75.3</b>     |



# FY23 H1 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)<sup>1</sup>

| In €m                                | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | Change<br>incl FX | FX           | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|--------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>429.2</b>       | <b>379.3</b>       | <b>49.9</b>       | <b>25.3</b>  | <b>24.6</b>     |
| - Riu                                | 359.0              | 314.4              | 44.6              | 25.6         | 19.0            |
| - Robinson                           | 41.6               | 38.7               | 2.9               | 0.2          | 2.7             |
| - Blue Diamond <sup>2</sup>          | -                  | -                  | -                 | -            | -               |
| - Other                              | 28.6               | 26.2               | 2.4               | -0.5         | 2.4             |
| <b>Cruises</b>                       | <b>257.1</b>       | <b>75.5</b>        | <b>181.6</b>      | <b>-10.8</b> | <b>192.4</b>    |
| - TUI Cruises <sup>2</sup>           | -                  | -                  | -                 | -            | -               |
| - Marella Cruises                    | 257.1              | 75.5               | 181.6             | -10.8        | 192.4           |
| <b>TUI Musement</b>                  | <b>290.0</b>       | <b>145.6</b>       | <b>144.4</b>      | <b>6.4</b>   | <b>138.0</b>    |
| <b><i>Holiday Experiences</i></b>    | <b>976.4</b>       | <b>600.4</b>       | <b>376.0</b>      | <b>20.9</b>  | <b>355.1</b>    |
| - Northern Region                    | 2,534.6            | 1,500.2            | 1,034.5           | -103.4       | 1,137.9         |
| - Central Region                     | 2,375.9            | 1,610.8            | 765.0             | 3.7          | 761.4           |
| - Western Region                     | 1,012.6            | 782.2              | 230.4             | 0.0          | 230.4           |
| <b><i>Markets &amp; Airlines</i></b> | <b>5,923.2</b>     | <b>3,893.2</b>     | <b>2,030.0</b>    | <b>-99.7</b> | <b>2,129.7</b>  |
| All other segments                   | 3.9                | 4.0                | -0.1              | -0.0         | -0.1            |
| <b>TUI Group</b>                     | <b>6,903.4</b>     | <b>4,497.6</b>     | <b>2,405.8</b>    | <b>-78.9</b> | <b>2,484.7</b>  |



# FY23 H1 Underlying EBITDA by Segment<sup>1</sup>

| In €m                                | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | Change<br>incl FX | FX          | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|-------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>245.3</b>       | <b>175.0</b>       | <b>70.3</b>       | <b>-1.5</b> | <b>71.9</b>     |
| - Riu                                | 203.0              | 152.7              | 50.3              | 10.4        | 39.9            |
| - Robinson                           | 15.0               | 9.3                | 5.6               | 0.5         | 5.1             |
| - Blue Diamond <sup>2</sup>          | 31.6               | 25.6               | 6.0               | 1.2         | 4.8             |
| - Other                              | -4.3               | -12.7              | 8.4               | -13.7       | 22.1            |
| <b>Cruises</b>                       | <b>50.9</b>        | <b>-70.5</b>       | <b>121.4</b>      | <b>-1.1</b> | <b>122.5</b>    |
| - TUI Cruises <sup>2</sup>           | 26.0               | -38.2              | 64.2              | 0.0         | 64.2            |
| - Marella Cruises                    | 24.9               | -32.3              | 57.2              | -1.1        | 58.3            |
| <b>TUI Musement</b>                  | <b>-13.9</b>       | <b>-19.6</b>       | <b>5.6</b>        | <b>-2.5</b> | <b>8.2</b>      |
| <b><i>Holiday Experiences</i></b>    | <b>282.3</b>       | <b>84.9</b>        | <b>197.4</b>      | <b>-5.1</b> | <b>202.5</b>    |
| - Northern Region                    | -116.9             | -202.0             | 85.1              | 26.6        | 58.5            |
| - Central Region                     | -81.3              | -26.1              | -55.2             | 3.4         | -58.6           |
| - Western Region                     | -31.9              | -20.4              | -11.5             | 5.8         | -17.3           |
| <b><i>Markets &amp; Airlines</i></b> | <b>-229.6</b>      | <b>-248.4</b>      | <b>18.8</b>       | <b>35.8</b> | <b>-16.9</b>    |
| All other segments                   | -37.4              | -24.9              | -12.5             | 0.3         | -12.8           |
| <b>TUI Group</b>                     | <b>15.3</b>        | <b>-188.4</b>      | <b>203.8</b>      | <b>31.0</b> | <b>172.8</b>    |



# FY23 H1 Underlying EBIT by Segment<sup>1</sup>

| In €m                                | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | Change<br>incl FX | FX          | Change<br>ex FX |
|--------------------------------------|--------------------|--------------------|-------------------|-------------|-----------------|
| <b>Hotels &amp; Resorts</b>          | <b>149.7</b>       | <b>84.8</b>        | <b>64.9</b>       | <b>-3.2</b> | <b>68.1</b>     |
| - Riu                                | 150.4              | 106.1              | 44.3              | 8.0         | 36.3            |
| - Robinson                           | -3.2               | -8.9               | 5.7               | 0.4         | 5.2             |
| - Blue Diamond <sup>2</sup>          | 31.6               | 25.6               | 6.0               | 1.2         | 4.8             |
| - Other                              | -29.1              | -38.0              | 8.9               | -12.9       | 21.8            |
| <b>Cruises</b>                       | <b>15.0</b>        | <b>-105.3</b>      | <b>120.2</b>      | <b>0.4</b>  | <b>119.8</b>    |
| - TUI Cruises <sup>2</sup>           | 26.0               | -38.2              | 64.2              | 0.0         | 64.2            |
| - Marella Cruises                    | -11.0              | -67.1              | 56.0              | 0.4         | 55.7            |
| <b>TUI Musement</b>                  | <b>-26.2</b>       | <b>-31.5</b>       | <b>5.3</b>        | <b>-2.6</b> | <b>5.3</b>      |
| <b><i>Holiday Experiences</i></b>    | <b>138.4</b>       | <b>-51.9</b>       | <b>190.4</b>      | <b>-5.4</b> | <b>195.8</b>    |
| - Northern Region                    | -269.5             | -352.6             | 83.1              | 21.3        | 61.8            |
| - Central Region                     | -131.1             | -82.8              | -48.4             | 1.7         | -50.1           |
| - Western Region                     | -102.9             | -89.4              | -13.5             | 2.5         | -16.0           |
| <b><i>Markets &amp; Airlines</i></b> | <b>-503.2</b>      | <b>-524.7</b>      | <b>21.6</b>       | <b>25.5</b> | <b>-4.0</b>     |
| All other segments                   | -30.6              | -26.8              | -3.8              | 0.0         | -3.8            |
| <b>TUI Group</b>                     | <b>-395.3</b>      | <b>-603.5</b>      | <b>208.2</b>      | <b>20.2</b> | <b>188.0</b>    |





# Financing facilities and support packages overview per 31 March 2023

|                              | Instrument                          | Support package # | Facility €m        | Utilisation €m | Debt/equity               | Maturity date     |
|------------------------------|-------------------------------------|-------------------|--------------------|----------------|---------------------------|-------------------|
| <b>Bank facilities</b>       | RCF (unsecured)                     | -                 | 1,454              | 1,439m drawn   | Debt                      | July 2024         |
|                              |                                     | -                 | 190                | guarantee line | -                         |                   |
|                              |                                     | 1 & 2             | 2,100 <sup>1</sup> | undrawn        | Debt                      |                   |
|                              | Schuldschein                        | -                 | 425                | -              | Debt                      | July 2023/25/28   |
| <b>Bonds</b>                 | Bond with warrant WSF               | 2                 | 59 <sup>1</sup>    | -              | Equity-Linked             | Warrant-Sept 2030 |
|                              | Convertible bonds (incl. tap issue) | -                 | 590                | -              | Debt / Equity-Linked      | April 2028        |
| <b>Silent participations</b> | Silent Participation I WSF          | 3                 | 420 <sup>1</sup>   | -              | Hybrid with equity credit | -                 |
| <b>Lease liabilities</b>     | Lease liabilities                   | -                 | 2,835 <sup>2</sup> | -              | Debt                      | Various           |



# Movement in Net Debt

## FY22 H1 to FY23 H1

| In €m                                   | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | YoY Δ        |
|---|--------------------|--------------------|--------------|
| <b>Opening net debt as at 1 October</b> | <b>-3,436</b>      | <b>-4,954</b>      | <b>1,518</b> |
| FCF after Dividends                     | -747               | 129                | -876         |
| Non cash additions <sup>1</sup>         | -80                | -139               | 59           |
| Capital Increase                        | -                  | 1,106              | -1,106       |
| Other                                   | 67                 | -80                | 147          |
| <b>Closing Net Debt</b>                 | <b>-4,196</b>      | <b>-3,936</b>      | <b>-260</b>  |

| In €m                            | FY23 H1<br>IFRS 16 | FY22 H1<br>IFRS 16 | YoY Δ       |
|----------------------------------|--------------------|--------------------|-------------|
| <b>Financial liabilities</b>     | <b>-5,829</b>      | <b>-5,572</b>      | <b>-256</b> |
| - Lease liabilities under IFRS16 | -2,835             | -3,146             | 312         |
| - Bond with warrant              | -61                | -149               | 88          |
| - Convertible Bond               | -537               | -527               | -10         |
| - Liabilities to banks           | -2,345             | -1,685             | -659        |
| - Other liabilities              | -51                | -65                | 14          |
| <b>Cash &amp; Bank Deposits</b>  | <b>1,632</b>       | <b>1,636</b>       | <b>-4</b>   |
| <b>Net debt</b>                  | <b>-4,196</b>      | <b>-3,936</b>      | <b>-260</b> |
| - Net Pension Obligation         | -507               | -551               | 44          |

## COMMENTS

- As per FY23 H1, SPI<sup>2</sup> has been reclassified from equity to “Liabilities from the repayment of equity instruments”
- As at 31/03/23:**
  - SPI - €420m fully drawn
  - Cash RCF - €1.4bn of €1.5bn utilised
  - KfW RCF - €0.0bn of €2.1bn utilised
- With the proceeds from the capital increase, TUI has **repaid the SPI & Bond with warrant to WSF** on 27 April 2023. The size of the undrawn **KfW credit line** has further been **reduced to €1.1bn** per end of April.

|                                   |        |        |      |
|-----------------------------------|--------|--------|------|
| <b>Memo: Lease liabilities</b>    |        |        |      |
| - Aircraft                        | -2,190 | -2,345 | 155  |
| - Hotels                          | -243   | -333   | 90   |
| - Ships                           | -136   | -161   | 26   |
| - Other                           | -267   | -307   | 41   |
| <b>Memo: Liabilities to banks</b> |        |        |      |
| - RCF                             | -1,440 | -948   | -492 |
| - of which Cash <sup>3</sup>      | -1,439 | -951   | -488 |
| - of which KfW <sup>3</sup>       | -1     | 4      | -4   |
| - SSD                             | -430   | -427   | -3   |
| - Asset Financing                 | -476   | -311   | -165 |



# Movement in Net Debt

## FY23 Q1 to FY23 H1

| In €m                            | FY23 H1<br>IFRS 16 | FY23 Q1<br>IFRS 16 | QoQ Δ        |
|----------------------------------|--------------------|--------------------|--------------|
| Opening net debt as at 1 October | -3,436             | -3,436             | -            |
| FCF after Dividends              | -747               | -1,959             | 1,212        |
| Non cash additions <sup>1</sup>  | -80                | -2                 | -78          |
| Other                            | 67                 | 137                | -71          |
| <b>Closing Net Debt</b>          | <b>-4,196</b>      | <b>-5,260</b>      | <b>1,064</b> |

| In €m                            | FY23 H1<br>IFRS 16 | FY23 Q1<br>IFRS 16 | QoQ Δ        |
|----------------------------------|--------------------|--------------------|--------------|
| <b>Financial liabilities</b>     | <b>-5,829</b>      | <b>-6,888</b>      | <b>1,059</b> |
| - Lease liabilities under IFRS16 | -2,835             | -2,936             | 101          |
| - Bond with warrant              | -61                | -50                | -11          |
| - Convertible Bond               | -537               | -527               | -10          |
| - Liabilities to banks           | -2,345             | -3,309             | 965          |
| - Other liabilities              | -51                | -65                | 14           |
| <b>Cash &amp; Bank Deposits</b>  | <b>1,632</b>       | <b>1,628</b>       | <b>5</b>     |
| <b>Net debt</b>                  | <b>-4,196</b>      | <b>-5,260</b>      | <b>1,064</b> |
| - Net Pension Obligation         | -507               | -536               | 29           |

## COMMENTS

- As per FY23 H1, SPI<sup>2</sup> has been reclassified from equity to “Liabilities from the repayment of equity instruments”
- As at 31/03/23:**
  - SPI - €420m fully drawn
  - Cash RCF - €1.4bn of €1.5bn utilised
  - KfW RCF - €0.0bn of €2.1bn utilised
- With the proceeds from the capital increase, TUI has **repaid the SPI & Bond with warrant to WSF** on 27 April 2023. The size of the undrawn **KfW credit line** has further been **reduced to €1.1bn** per end of April.

|                                   |        |        |       |
|-----------------------------------|--------|--------|-------|
| <b>Memo: Lease liabilities</b>    |        |        |       |
| - Aircraft                        | -2,190 | -2,266 | 76    |
| - Hotels                          | -243   | -259   | 16    |
| - Ships                           | -136   | -141   | 5     |
| - Other                           | -267   | -270   | 4     |
| <b>Memo: Liabilities to banks</b> |        |        |       |
| - RCF                             | -1,440 | -2,436 | 996   |
| - of which Cash <sup>3</sup>      | -1,439 | -1,432 | -7    |
| - of which KfW <sup>3</sup>       | -1     | -1,004 | 1,003 |
| - SSD                             | -430   | -429   | -1    |
| - Asset Financing                 | -476   | -445   | -31   |



A woman with long dark hair, wearing a straw hat with a black band and a black sleeveless top, is shown in profile, looking upwards and to the right. She is standing in a busy night market with many stalls and people in the background. The scene is illuminated by warm, yellow lights. A large red circle is positioned in the upper right quadrant of the image. There are also large red abstract shapes on the left and bottom right sides of the image.

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